PETER C. HARVEY ATTORNEY GENERAL OF NEW JERSEY

FILED

MAY 28 2004

Division of Consumer Affairs

Division of Law - 5th Floor 124 Halsey Street P.O. Box 45029 Newark, New Jersey 07101

Carol G. Jacobson By:

Deputy Attorney General

973-648-3453

STATE OF NEW JERSEY DEPARTMENT OF LAW AND PUBLIC SAFETY DIVISION OF CONSUMER AFFAIRS

IN THE MATTER OF AN INVESTIGATION: BY THE NEW JERSEY DIVISION OF **CONSUMER AFFAIRS**

Administrative Action

of

Vince Auto Sales, Inc. d/b/a **Madison Honda**

CONSENT ORDER

This matter having been opened by the Division of Consumer Affairs, Office of Consumer Protection (hereinafter referred to as the "Division"), as an investigation in order to ascertain whether violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. ("CFA") and/or the regulations promulgated thereunder, N.J.A.C. 13:45A-1.1 et seq. (hereinafter referred to as "Regulations"), to include Subchapter 26B. Automotive Sales Practices, Subchapter 26F. Unfair Trade Practices-Used Motor Vehicles-Sale and Warranty, and the Used Car Lemon Law, N.J.S.A. 56:8-67 et seq. (hereinafter referred to as "UCLL") have been or are being committed by Vince Auto Sales, Inc. d/b/a Madison Honda, its owners, officers, directors, employees, representatives, agents, assigns and/or independent contractors (hereinafter collectively referred to as "Respondent"), and it appearing that the Division and Respondent (collectively referred to as "Parties") have reached an

amicable agreement resolving the issues in controversy and concluding this matter without the need for further action, and Respondent having voluntarily cooperated with the Division's investigation and consented to the entry of the within order (hereinafter referred to as "Consent Order") without having admitted any violation of law or finding of fact, and for good cause shown,

AGREED as follows:

1. BUSINESS PRACTICES

- 1.1 Respondent shall comply in all material respects with all state and/or federal laws, rules and regulations as now constituted or as may hereafter be amended including, but not limited to, the CFA, UCLL and the Regulations including UCLL Regulations which are applicable to all future sales, leasing, advertising and/or repair of motor vehicles.
- 1.2 Respondent shall not engage in any misrepresentation and/or deceptive acts or practices in violation of the CFA and the Regulations including, but not limited to, the following acts and/or practices:
 - a. Respondent shall not fail to disclose, prior to sale, any prior use of a motor vehicle including, but not limited to, use as a dealer demonstration vehicle, a service department loan vehicle, a fleet vehicle and/or a rental vehicle;
 - b. Respondent shall not fail to disclose that a motor vehicle has been previously damaged and/or that substantial repair or body work has been performed on it when Respondent knew or should have known of such prior damage and/or substantial repair or body work;
 - c. Respondent shall not charge fees for any item such as Destination and Handling in the sale or lease of a new vehicle that is already included in the Monroney Label;

- Respondent shall not issue more than one temporary registration tag for each motor vehicle purchased or leased from Respondent;
- e. Respondent shall not sell or lease a motor vehicle for which they do not have the certificate of origin or title in their possession;
- 1.3 Respondent shall comply with the CFA, UCLL and the Regulations including UCLL Regulations in the conduct of its business in the State of New Jersey (hereinafter referred to as the "State") including, but not limited to the following:
 - a. Respondent shall disclose all material terms of the transaction to consumers;
 - Respondent shall provide consumers with the opportunity to review all documents
 prior to signing;
 - c. Respondent shall provide to the consumer motor vehicle documentation including, but not limited to title, unless encumbered, and/or registration, within twenty (20) days of purchase and/or lease of a motor vehicle;
 - d. Respondent shall henceforth collect and forward, in a timely manner, to the Used Car Lemon Law Unit the quarterly \$0.50 per vehicle fee, pursuant to N.J.A.C. 13:45A-26F.6 for all used vehicles sold to consumers.

2. CONSUMER COMPLAINTS

2.1 Respondent shall pay restitution, pursuant to N.J.S.A.8-15, totaling \$490.00 to the consumer listed on Schedule A attached hereto, and made a part hereof, within ten (10) days of the signing of this Consent Order. The Restitution payment shall be made individually to the consumer identified in Schedule A by certified check, attorney's trust check, or money order. A copy of the payment to the consumer shall simultaneously be sent to:

New Jersey Division of Consumer Affairs
Office of Consumer Protection
P.O. Box 45025
Newark, New Jersey 07101
Attention: Investigator Frank Carmody

3. PAYMENT TO THE STATE

- 3.1 Respondent shall pay the Division of Consumer Affairs the sum of \$12,500.00 as a civil penalty pursuant to N.J.S.A. 56:8-13 and \$919.38 as reimbursement for the Division's costs pursuant to N.J.S.A. 56:8-11. The afore stated amounts, totaling \$13,419.38, shall be submitted together with this Consent Order fully executed by Respondent.
- 3.2 Each of the afore stated payments for penalties and costs shall be made by certified check, attorney trust check, or other guaranteed funds made payable to "New Jersey Division of Consumer Affairs" and shall be delivered to the following address:

Attention: Case Management Tracking
New Jersey Department of Law and Public Safety
New Jersey Division of Consumer Affairs
124 Halsey Street
P.O. Box 45025
Newark, NJ 07101

- 3.3 Failure by Respondent to make any the payments required in the time prescribed by this Consent Order shall constitute a breach of this Consent Order. In the event of such breach, the Division may seek a Superior Court Order compelling compliance and seeking additional penalties and costs or take whatever additional action it deems necessary an appropriate under the circumstances.
- 3.4 If, after the signing of this Consent Order, Respondent engages in any acts or practices which constitute a violation of the Consumer Fraud Act, and the Regulations, including the UCLL

Regulations or this Consent Order, Respondent will be subject to the imposition of enhanced penalties pursuant to N.J.S.A. 56:8-13 or N.J.S.A. 56:8-18, without prejudice to the Respondent's right to present evidence in mitigation and affirmative defense.

4 GENERAL PROVISIONS

- 4.1 Nothing contained in this Consent Order shall be construed to limit or affect the rights of any persons or entities who are not parties to this Consent Order with respect to any of the matters contained herein.
- 4.2 Nothing contained herein shall in any manner or fashion be construed to limit or affect any position that the parties may take in any future or pending action not specifically encompassed within.
- 4.3 This Consent Order resolves all claims and causes of action against Respondent for violations of the CFA, UCLL and the Regulations including the UCLL Regulations promulgated pursuant thereto, which were known by the Division's Office of Consumer Protection through May 3, 2004.
- 4.4 The Parties represent that an authorized representative of each has signed this Consent Order with full knowledge, understanding and acceptance of its items and that this person has done so with authority to legally bind the representative party.
- 4.5 This Consent Order constitutes the entire agreement between the Parties hereto and shall bind the Parties hereto and their representatives, officers, directors, agents, employees, successors and assigns.
- 4.6 Respondent shall not represent or imply that any advertising procedure or other act or practice hereinafter used or engaged in by Respondent has been required or approved, in whole or

in part, by the Attorney General or the Division of Consumer Affairs or any other State's agencies or agents.

- 4.7 The Parties acknowledge that for the purposes of enforcement of this Consent Order, New Jersey law shall govern the terms and provisions herein.
- 4.8 The Division has advised Respondent to seek the advice of counsel before entering into this Consent Order.
 - 4.9 This Consent Order constitutes a final agency action and shall be effective upon filing.
 - 4.10 Respondent acknowledges that this Consent Order is a public document.

The undersigned has read this Consent Order, understands it and agrees to be bound by its terms.

PETER C. HARVEY

ATTORNEY GENERAL OF NEW JERSEY

Reni Erdos, Director New Jersey Division of Consumer Affairs

Consent is hereby given as to the form and entry of this Consent Order.

Vince Auto Sales, Inc.

d/b/a

Madison Honda

5/20/04